



FEDERAL RESERVE SYSTEM

Federal Open Market Committee; Domestic Policy Directive of December 13, 2011

In accordance with Section 271.7(d) of its rules regarding availability of information (12 CFR part 271), there is set forth below the domestic policy directive issued by the Federal Open Market Committee at its meeting held on December 13, 2011.¹

“The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee seeks conditions in reserve markets consistent with federal funds trading in a range from 0 to ¼ percent. The Committee directs the Desk to continue the maturity extension program it began in September to purchase, by the end of June 2012, Treasury securities with remaining maturities of approximately 6 years to 30 years with a total face value of \$400 billion, and to sell Treasury securities with remaining maturities of 3 years or less with a total face value of \$400 billion. The Committee also directs the Desk to maintain its existing policies of rolling over maturing Treasury securities into new issues and of reinvesting principal payments on all agency debt and agency mortgage-backed securities in the System Open Market Account in agency mortgage-backed securities in order to maintain the total face value of domestic securities at approximately \$2.6 trillion. The Committee directs the Desk to engage in dollar roll transactions as necessary to facilitate settlement of the Federal Reserve’s agency MBS transactions. The System Open Market Account Manager and the Secretary will keep the Committee informed of ongoing developments regarding the System’s balance sheet that could

¹ Copies of the Minutes of the Federal Open Market Committee at its meeting held on December 13, 2011, which includes the domestic policy directive issued at the meeting, are available on the Board’s website, www.federalreserve.gov. The minutes are also published in the Federal Reserve Bulletin and in the Board’s Annual Report.

affect the attainment over time of the Committee's objectives of maximum employment and price stability.”

By order of the Federal Open Market Committee, January 11, 2012.

William B. English,
Secretary, Federal Open Market Committee.
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